



State of South Carolina  
Department of Health and Human Services

Mark Sanford  
Governor

Robert M. Kerr  
Director

November 21, 2006

Mr. Les Boles  
Director  
Office of State Budget  
1201 Main Street, Suite 870  
Columbia, SC 29201

Dear Mr. Boles:

Please find enclosed the Fiscal Year 2007-2008 Budget Plan for the Department of Health and Human Services. Should you have any questions, please contact Mr. William Wells at 803 898-2503.

Sincerely,

Robert M. Kerr  
Director

RMK/wslk

Enclosures

## FISCAL YEAR 2007-08 BUDGET PLAN

### I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services

B. Statewide Mission:

To manage the Medicaid program to provide the best healthcare value for South Carolinians.

The characteristics by which we will do our jobs at DHHS:

Service – We are dedicated to service; we will place others first.

Excellence – We are committed to constant improvement and we will preserve in achieving quality with efficiency.

Responsive – We will be alert and react quickly to the needs of those we serve; we embrace opportunities to improve our processes.

Value – We will assure that all of our decisions and actions will be measured by the value they return; we guarantee honest and open measurement of outcomes.

Everyone – We are a team; every employee is involved in our success; we believe in servant leadership and empowering employees to solve customer problems; as a team we will encourage and hold each other accountable.

C. Summary Description of Strategic or Long-Term Goals:

(1) To provide a benefit plan that improves member health; is evidenced based, and is market driven.

(2) To provide a credible and continually improving eligibility process that is accurate and efficient.

(3) To provide administrative support at the best possible value to ensure programs operate effectively.

D.

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Medicaid Maintenance of Effort	0	30,000,000	68,554,534	0	\$ 98,554,534	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Goal 1 Activity Number & Name: II-3-A-R										
Priority No.: 2	Title Establish a base of recurring funds for Rural Hospital Grants	0	1,500,000	0	0	\$ 1,500,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Goal 1 Activity Number & Name: 1586 – Rural Hospital Grants										
Priority No.: 3	Title Community Long Term Care Program Expansion	0	2,500,000	5,712,878		\$ 8,212,878	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Goal 1 Activity Number & Name: 911 – Community Long Term Care										
Priority No.: 4	Title: Increase Funding for Medicaid Eligibility to comply with Deficit Reduction Act	0	500,000	500,000	0	\$ 1,000,000	0	0	0	0.00

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Goal 1 Activity Number & Name: 942 – Medicaid Eligibility										
Priority No.: 5	Title Institutes for Mental Disease (IMD) Liability		13,000,000	0		\$ 13,000,000				
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Goal 1 Activity Number & Name: 936 – Emotionally Disturbed Children										
Priority No.: 6	Title Private Rehabilitative Therapy Liability		1,500,000	3,427,727		\$ 4,927,727				
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Goal 1 Activity Number & Name:										
Priority No.: 7	Title Outpatient Hospital Rates		10,000,000	22,851,511		\$ 32,851,511				
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Goal 1 Activity Number & Name: 901 – Hospital Services										
Priority No.: 8	Title Home Health Telemonitoring Services		1,000,000	2,285,151		\$ 3,285,151				

Summary of Operating Budget Priorities for FY 2007-08:	FUNDING					FTEs			
	State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No. Referenced in <u>Item C Above (if applicable):</u> Goal 1 Activity Number & Name: 913 – Home Health Services									
TOTAL OF ALL PRIORITIES	\$ 0	\$60,000,000	\$103,331,801	\$ 0	\$ 163,331,801	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$ 924,611,177  
 Federal\$ 3,360,410,500  
 Other \$ 720,150,610

F. Efficiency Measures:

1. To provide a benefit plan that improves member health, is evidence based, and is market driven.
  1. To establish a baseline index of general health for Medicaid members relative to the general population.
  2. To increase the number of consumer driven, incentive-based medical homes.
  3. To maintain average Medicaid expenditures per person below the growth rate of health care costs nationally.
2. To provide a credible and continually improving eligibility process that is accurate and efficient.
  1. Establish a customer satisfaction survey baseline.
  2. Average processing times – compliance with federal processing guidelines.
  3. Percent accurately processed within federal requirements.
  4. Establish average cost per application baseline.
3. To provide administration support at the best possible value to ensure programs operate effectively.
  1. To realign the workforce to maximize savings while maintaining the percentage of administrative costs to program cost at less than 3%.
  2. To establish an internal customer satisfaction survey baseline.
  3. To provide at least ten examples of substantial savings and/or process improvements as a result of leveraging technology.
  4. To enhance savings by expanding the number of fraud and abuse reviews, audit and compliance reviews.

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$ 0	\$ 0	\$ 0	\$ 0

\* If applicable

H. Number of Proviso Changes: Requesting changes to seven provisos.

I. Signature/Agency Contacts/Telephone Numbers:

Robert Kerr, Director, 898-2504

William Wells, Deputy Director Finance & Administration, 898-2503

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 1 of 8
- C. (1) Title: Medicaid Maintenance of Effort  
(2) Summary Description: Non-recurring funding in the FY 2006-2007 budget needs to be replaced with recurring funding in FY 2007-2008 to maintain the current level of Medicaid services. South Carolina's average Medicaid Program Growth for Fiscal Years 2004-2006 was 6.1%. This request considers the adjustment for the effect of MMA on Pharmacy and estimates no more than 5% growth.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Medicaid Assistance Payments II-3-A-R.
- E. Agency Activity Number and Name: The funding is spread across all DHHS funded Medicaid activities, including Hospital Services, Nursing Home Services, Pharmaceutical Services, Physician Services, Dental Services, Community Long Term Care, Home Health Services, EPSDT Payments, Hospice Care, Optional State Supplemental (OSS), Integrated Personal Care, Clinic Services, Durable Medical Equipment, Program for All-Inclusive Care for the Elderly (PACE), Coordinated Care, and Special Projects.
- F. Detailed Justification for Funding
  - (1) Justification for Funding Increase: National growth rates for Medicaid programs as determined by CMS are expected to increase on average of 7.5% in SFY 08. Based on the assumption that South Carolina's utilization growth can be contained at 5%, DHHS can maintain the current level of benefits with additional recurring state funds of \$30,000,000. This level of funding includes the annual cost of living increase for Nursing Homes. Proviso 73.8 Tobacco Settlement, a one-time allocation of \$8,000,000 from the Healthcare Tobacco Settlement Trust Fund for recurring Medicaid expenditures will need to be replaced with recurring funding to continue services at the current level of benefit. \$3,000,000 in non-recurring funding for Physician reimbursements must also be replaced to maintain current rates. It is assumed that Proviso 8.17 Hospital Tax – Medicaid Expansion Funds will be continued in FY 2007-2008, therefore, it is not included in this request. Also, mandatory rate increases for Medicare premiums for low-income dual eligibles, which cannot be controlled by the state, are included in the request.



(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		30,000,000	68,554,534		\$ 98,554,534
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 30,000,000	\$ 68,554,534	\$ 0	\$ 98,554,534
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_  
\_\_\_\_\_.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

H. Other Comments:

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 2 of 8
- C. (1) Title: Establish a base of recurring funds for Rural Hospital Grants.  
(2) Summary Description: Proviso 73.14: Rural Hospital Grant funds to be expended on small rural hospitals.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Non-Recurring, IV-E.
- E. Agency Activity Number and Name: 1586 – Rural Hospital Grants.
- F. Detailed Justification for Funding
  - (1) Justification for Funding Increase: To establish a base of recurring funding for this program to assist small rural hospitals in order to ensure access to hospital care in rural areas.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		1,500,000			\$ 1,500,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 1,500,000			\$1,500,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority: No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(c) Justification:

(d) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

H. Other Comments

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 3 of 8
- C. (1) Title: Community Long Term Care Expansion  
(2) Summary Description: Fund expansion of Community Long Term Care Program by increasing rate payments, requesting 500 new Community Waiver Slots, and adding additional RNs to help with additional waiver slots.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Medicaid Assistance Payments II-3-G.
- E. Agency Activity Number and Name: 911 - Community Long Term Care.
- F. Detailed Justification for Funding

Justification for Funding Increase: To increase rates for Adult Day Care and Case Management. Requesting funding for 500 additional Community Waiver Slots and five (5) additional RNs to handle the increase in waiver slots.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		2,500,000	5,712,878		\$ 8,212,878
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 2,500,000	\$ 5,712,878	\$ 0	\$ 8,212,878
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority? No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

- Justification:
- Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

**H. Other Comments:**



## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 4 of 8
- C. (1) Title: Request Additional Funding for Medicaid Eligibility.  
(2) Summary Description: Increase in Eligibility funding for additional costs required by Deficit Reduction Act citizenship requirements and other related items.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Medicaid Eligibility II-7.
- E. Agency Activity Number and Name: 942 – Medicaid Eligibility.
- F. Detailed Justification for Funding
  - (1) Justification for Funding Increase: To fund additional costs for new citizenship verification requirements and other related items mandated by the Federal Deficit Reduction Act.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		500,000	500,000		\$ 1,000,000
<b>Total</b>	\$ 0	\$ 500,000	\$ 500,000		\$ 1,000,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority: No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(2) Justification for New FTEs

a. Justification:

b. Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

**H. Other Comments:**

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 5 of 8
- C. (1) Title: Institutes for Mental Disease (IMD) Liability.  
(2) Summary Description: Phased in replacement of federal funds which will be lost over a three year transition period that is required by the Centers for Medicare and Medicaid Services (CMS)'s decision to no longer cover mental health services in any institution with over 16 beds.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: New.
- E. Agency Activity Number and Name: New – Institutes for Mental Disease (IMD).
- F. Detailed Justification for Funding  
  
(1) Justification for Funding Increase: This funding is to be used to cover the loss of the federal participation with state appropriations for a period of three years under a proposed transition plan. This is the first year of the three year transition period. The Office of the Inspector General (OIG) or Centers for Medicare and Medicaid Services (CMS) has initiated audits of states providing mental health services to children in facilities meeting the IMD definition. South Carolina has not been notified of a pending audit; however , such an audit may be initiated at any time.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		13,000,000	0		\$ 13,000,000
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 13,000,000	\$ 0		\$ 13,000,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority: No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(3) Justification for New FTEs

- Justification:
- Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

**H. Other Comments:**

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 6 of 8
- C. (1) Title: Private Rehabilitative Therapy Liability.  
 (3) Summary Description: To establish market rates that will equitably reimburse both public and private providers for services rendered to Medicaid beneficiaries and to reinstate a prior authorization process to address utilization issues.  
 (3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Clinic Services II-3-T; Medical Professional Services II-3-K
- E. Agency Activity Number and Name: 888 – Clinic Services; 917 Medical Professional Services
- F. Detailed Justification for Funding

Justification for Funding Increase: Centers for Medicare and Medicaid Services (CMS) requires us to equitably reimburse public and private providers. We will have to raise the payment rates to private providers up to 85% of the Medicare Rate to ensure equitability.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					

(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		1,500,000	3,427,727		\$ 4,927,727
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 1,500,000	\$ 3,427,727		\$ 4,927,727
* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.					

(3) Base Appropriation:

State       \$ 924,611,177  
Federal     \$ 3,360,410,500  
Other       \$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority: No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_  
\_\_\_\_\_.

G. Detailed Justification for FTEs

(4) Justification for New FTEs

- a. Justification:
- b. Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0



	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

**Agency-wide Vacant FTEs as of July 31, 2006: 116**

**% Vacant 10.28%**

**H. Other Comments:**

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 7 of 8
- C. (1) Title: Outpatient Hospital Rates  
(2) Summary Description: Increase Outpatient Hospital Reimbursement from 41% of allowable costs to 56% of allowable costs.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Hospital Services II-3-A.
- E. Agency Activity Number and Name: 901 – Hospital Services.
- F. Detailed Justification for Funding
  - (1) Justification for Funding Increase: To update the outpatient hospital reimbursements rates in stages to bring rates up closer to actual costs. Based upon FY 2006 Outpatient Hospital Medicaid Upper Payment Limit Schedule, current Medicaid hospital reimbursements cover approximately 41% of hospitals allowable Medicaid outpatient costs. This increase will bring up this level to a projected 56% of their FY 2006 allowable Medicaid outpatient costs. This process may take several years depending on available funding.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		10,000,000	22,851,511		\$ 32,851,511
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 10,000,000	\$ 22,851,511		\$ 32,851,511
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority: No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(5) Justification for New FTEs

- Justification:
- Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

**H. Other Comments:**

## II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Priority No. 8 of 8
- C. (1) Title: Home Health Telemonitoring Services.  
(2) Summary Description: Provide funding to support the in-home telemonitoring services for high-risk recipients.  
(3) Strategic Goal/Action Plan (*if applicable*): To provide a benefit plan that improves member health, is evidence based, and is market driven.
- D. Budget Program Number and Name: Medicaid Eligibility II-3-I.
- E. Agency Activity Number and Name: 913 – Home Health Services.
- F. Detailed Justification for Funding
  - a. Justification for Funding Increase: Funding to reimburse home health agencies for those Medicaid recipients that require an in-home telemonitoring system. This program is for Medicaid recipients who may live in rural areas and are diagnosed with congestive heart failure, diabetes and other high-risk chronic diseases that require close monitoring. The goals of the program are to reduce inpatient length of stays, reduce hospitalization, cut down on the number of home health visits and improve overall outcomes. For the Medicaid recipient, an in home system provides the security of daily monitoring, promotes compliance and encourages personal responsibility to manage their disease.

(2)

<b>FY 2007-08 Cost Estimates:</b>	<b>State Non-Recurring Funds</b>	<b>State Recurring Funds</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services		1,000,000	2,285,151		\$ 3,285,151
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
<b>Total</b>	\$ 0	\$ 1,000,000	\$ 2,285,151		\$ 3,285,151
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 924,611,177
Federal	\$ 3,360,410,500
Other	\$ 720,150,610

(4) Is this priority associated with a Capital Budget Priority: No If yes, state Capital Budget Priority Number and Project Name: \_\_\_\_\_.

G. Detailed Justification for FTEs

(6) Justification for New FTEs

a. Justification:

b. Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 166.50  
Federal 303.74  
Other 18.76

Agency-wide Vacant FTEs as of July 31, 2006: 116

% Vacant 10.28%

**H. Other Comments:**

### III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name:
- B. Priority No. \_\_\_\_ of \_\_\_\_
- C. Strategic Goal/Action Plan *(if applicable)*:
- D. Project Name and Number *(if applicable)*:
- E. Agency Activity Number and Name:
- F. Description of Priority:
- G. Detailed Justification for Funding

(1) Justification for Funding Priority:

(2)

<b>Total Project Cost Estimates:</b>	<b>Additional State Funds</b>	<b>Previously Authorized State Funds</b>	<b>Total Other Fund Sources</b>	<b>Project Total</b>
Total Project Cost*				\$ 0

*\* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? \_\_\_\_\_

If not, will additional state funds be needed in the future? \_\_\_\_\_

If state funds will not be needed in the future, explain the source(s) that will be used. \_\_\_\_\_

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: \_\_\_\_\_ Will this fiscal year require a partial or full year's operating funds? \_\_\_\_\_ If a partial year's funds are required, what portion of the year does it cover? \_\_\_\_\_

\_\_\_\_\_



(3)

<b>Additional Annual Operating Cost Details:</b>	<b>State Non-Recurring</b>	<b>State Recurring</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Total Costs:</b>					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? \_\_\_\_\_

If not, will additional state funds be needed in the future? \_\_\_\_\_

If state funds will not be needed in the future, explain the source(s) that will be used. \_\_\_\_\_

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: \_\_\_\_\_

(3)

<b>Additional Annual Operating Cost Details:</b>	<b>State Non-Recurring</b>	<b>State Recurring</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Total Costs:</b>					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:



## FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

### I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: Edits to Medicaid claims resulting from the Decision Support System implementation: Affects all Medicaid Medical Assistance activities, including; 901- Hospital Services, 903 - Nursing Home Services, 905 - Pharmaceutical Services, 907 - Physician Services, 909 - Dental Services, 911 - Community Long Term Care, 913 - Home Health Services, 915 - EPSDT Payments, 926 - Hospice Care, 928 - Optional State Supplemental (OSS), 930 - Integrated Personal Care, 888 - Clinic Services, 890 - Durable Medical Equipment, 939 - Program for All-Inclusive Care for the Elderly (PACE), 892 - Coordinated Care and 945 - Special Projects.
- C. Explanation of Cost Savings Initiative: DHHS has partnered with Thomson Medstat a health technology company to develop a new computer system called a decision support system, which collects and analyzes claims information in two important ways. The system can identify policies and payment rates that deviate from industry standards, making it possible to implement best practices which improve efficiency and quality. The system can also identify irregularities in provider billing patterns and utilization of services, which indicate fraud, abuse or administrative errors, which make it possible for the agency to recoup millions of dollars more in inappropriate claims than was possible before. Examples of patterns that have been identified in tests of the system, include billing separately for procedures such as refraction, which should have been performed as part of an eye exam and covered by the payment for the eye exam, claims for ambulance trips for which there is no corresponding claim for a medical service, providers billing for more than 24 hours of services in the day, and doctor shopping for drug prescriptions. Based on this type of information, the agency will be able to install edits in the claims processing system to prevent overpayments to occur in many cases, and to more quickly identify and recoup overpayments that cannot be prevented by edits.
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0

Program/Case Services	3,500,000	7,998,029		\$11,498,029
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	<b>\$3,500,000</b>	<b>\$7,998,029</b>	<b>\$ 0</b>	<b>\$11,498,029</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
This cost savings idea will only effect providers in that DHHS will have additional tools to prevent improper and inaccurate billings and improve cost efficiency. Beneficiaries will not be affected.

## I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: Reduce coverage for Transitional Medicaid Assistance (TMA) Program to 12 months: Affects all Medicaid Medical Assistance activities, including 901 - Hospital Services, 903 - Nursing Home Services, 905 - Pharmaceutical Services, 907 - Physician Services, 909 - Dental Services, 911 - Community Long Term Care, 913 - Home Health Services, 915 - EPSDT Payments, 926 - Hospice Care, 928 - Optional State Supplemental (OSS), 930 - Integrated Personal Care, 888 - Clinic Services, 890 - Durable Medical Equipment, 939 - Program for All-Inclusive Care for the Elderly (PACE), 892 - Coordinated Care, and 945 - Special Projects.
- C. Explanation of Cost Savings Initiative: Federal rules require states to provide one year of Transitional Medicaid Assistance for people who leave welfare and go to work. Coverage for more than 12 months is optional. South Carolina currently provides 24 months of Transitional Assistance which is the highest number of months among Southeastern states. (See chart below ) Reducing coverage to 12 months is estimated to save \$4 million in state funds.

### Transitional Medicaid Assistance (TMA)– States in the Southern Region

Alabama	Florida	Georgia	Kentucky	Mississippi	North Carolina	South Carolina	Tennessee
12 months	12 months	12 months	12 months	12 months	12 months	24 months	18 months

- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	4,000,000	9,140,604		\$13,140,604

Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	\$4,000,000	\$9,140,604	\$ 0	\$13,140,604

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
This change will impact mainly adult Medicaid clients. Children could move to Partner's for Healthy Children if family income is below 150% of the Federal Poverty Level.

## I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 905 – Pharmaceutical Services
- C. Explanation of Cost Savings Initiative: Implementation of National Medicaid Pooling Initiative, the pooling of SC Medicaid eligibles with Medicaid eligibles of other “pool” states to maximize SC Medicaid’s supplemental pharmaceutical rebate collections. The dose optimization program assess claims where there are multiple strengths of the same drug and assures that the most cost-effective strength is dispensed without altering the daily dose of medicine. The Dosage Optimization Program encourages doctors to write prescriptions for certain flat priced drugs that lower costs to Medicaid without affecting patient daily dosage of medicine. (Prescribing one 20mg pill instead of two 10mg pills per day if the cost is higher for the two 10mg pills).
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	2,000,000	4,570,302		\$6,570,302
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	<b>\$2,000,000</b>	<b>\$4,570,302</b>		<b>\$6,570,302</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

Since we have a Preferred Drug List in place, the National Medicaid Pooling Initiative would be transparent to both pharmacies and Medicaid recipients. The Dosage Optimization program would require changes in the way that physicians write prescriptions for certain covered drugs and will require CMS approval before implementation. Medicaid recipients should see no impact.



I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 890 – Durable Medical Equipment
- C. Explanation of Cost Savings Initiative: Implement a preferred diabetic blood glucose test meter and test strips brand program where vendors bid best price for their product.
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	500,000	1,142,576		\$1,642,576
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	<b>\$500,000</b>	<b>\$1,142,576</b>	<b>\$ 0</b>	<b>\$1,642,576</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
Manufacturers of non-agency preferred brands would be affected. Medicaid recipients would only be affected by the number of choices of meters and test strips available due to the preferred brand list.

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 945 – Special Projects – (Palmetto Health Access)  
1583 – Regensis
- C. Explanation of Cost Savings Initiative: These pass-through projects could be deleted because they are not specifically related to Medicaid and are not critical to the agency's core mission.
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services				\$ 0
Pass-Through Funds	175,000	75,000		\$ 250,000
Other Operating Expenses				\$ 0
<b>Total</b>	<b>\$175,000</b>	<b>\$75,000</b>	<b>\$ 0</b>	<b>\$ 250,000</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
No impact on Medicaid providers or recipients, pass-through funding only.

## I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 905 – Pharmaceutical Services
- C. Explanation of Cost Savings Initiative: Align Pharmacy product reimbursement closer to the state health plan by adjusting Average Wholesale Price (AWP) minus 10 percent to AWP minus 14 percent. The State Health Plan is currently at AWP minus 15 percent with a dispensing fee of \$2.00. No adjustment is suggested to the \$4.05 Medicaid dispensing fee at this time while the effect of the change to Average Manufacturer's Price (AMP) for Federal upper payment limit for generics (Deficit Reduction Act) is evaluated.
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	4,500,000	10,283,180		\$14,783,180
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	\$4,500,000	\$10,283,180	\$ 0	\$14,783,180

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
Impact on pharmacies would be a drop in revenue due to the lower amount paid through Medicaid for prescriptions. There would be no impact on Medicaid recipients.

**I. 2% COST SAVINGS ASSESSMENT**

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 905 – Pharmaceutical Services
- C. Explanation of Cost Savings Initiative: Deleting Proviso 8.30 would allow the Pharmacy and Therapeutics Committee to review Mental Health drugs in the same manner as other pharmaceuticals. Treating these classes of drugs consistently with other drug classes and including them in the Preferred Drug List program is estimated to save \$2 million in state funds.
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	2,000,000	4,570,302		\$6,570,302
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	<b>\$2,000,000</b>	<b>\$4,570,302</b>	<b>\$ 0</b>	<b>\$6,570,302</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
Impact on drug companies would be a drop in revenue due to the lower amount paid through Medicaid for prescriptions.  
There would be no impact on Medicaid recipients.

# I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 907 – Physician Services
- C. Explanation of Cost Savings Initiative: Align reimbursement for physician administered oncology related injectibles to ensure uniformity of reimbursement among provider types providing the same service. Implement expanded prior authorization process on frequency limitations on certain identified high-cost injectables.
- D. Estimate of Savings:

<b>FY 2007-08 Cost Savings Estimates:</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services	1,200,000	2,742,181		\$ 3,942,181
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
<b>Total</b>	\$ 1,200,000	\$ 2,742,181		\$ 3,942,181

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
No impact on recipients. Reduction in payments to Oncologists who currently receive Medicaid reimbursements that exceed other provider types.

**I. 2% COST SAVINGS ASSESSMENT**

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title: Decision Support System	\$3,500,000	\$7,998,029	0	\$11,498,029	0	0	0	0.00
Activity Number & Name: All								
Initiative Title: Transitional Medicaid Assistance Program	\$4,000,000	\$9,140,604	0	\$13,140,604	0	0	0	0.00
Activity Number & Name: All								
Initiative Title: Pharmacy Savings	\$2,000,000	\$4,570,302	0	\$6,570,302	0	0	0	0.00
Activity Number & Name: 905 – Pharmaceutical Services								
Initiative Title: Preferred Diabetic Supplies	\$500,000	\$1,142,576	0	\$1,642,576	0	0	0	0.00
Activity Number & Name: 890-Durable Medical Equipment								
Initiative Title: Palmetto Health Access, and Regensis Pass-Through Programs	\$175,000	\$75,000	0	\$250,000	0	0	0	0.00
Activity Number & Name: 945; and 1583								
Initiative Title: Pharmacy Reimbursement Savings	\$4,500,000	\$10,283,180	0	\$14,783,180	0	0	0	0.00
Activity Number & Name: 905 – Pharmaceutical Services								

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title: PDL for Mental Health Drugs	\$2,000,000	\$4,570,302	0	\$6,570,302	0	0	0	0.00
Activity Number & Name: 905 – Pharmaceutical Services								
Initiative Title: Alignment of Physician Administered Injectables	\$1,200,000	\$2,742,181	0	\$3,942,181	0	0	0	0.00
Activity Number & Name: 907 – Physician Services								
TOTAL OF ALL INITIATIVES	\$17,875,000	\$40,522,174	\$ 0	\$58,397,174	0.00	0.00	0.00	0.00

## FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

### II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: Transitional Medicaid Assistance (TMA) Program - All Medicaid Medical Assistance Programs, including; 901 - Hospital Services, 903 - Nursing Home Services, 905 – Pharmaceutical Services, 907 - Physician Services, 909 - Dental Services, 911 - Community Long Term Care, 913 – Home Health Services, 915 - EPSDT Payments, 926 - Hospice Care, 928 - Optional State Supplemental (OSS), 930 - Integrated Personal Care, 888 - Clinic Services, 890 - Durable Medical Equipment, 939 - Program for All-Inclusive Care for the Elderly (PACE), 892 - Coordinated Care, and 945 - Special Projects.
- C. Explanation of Lowest Priority Status: Federal rules require states to provide one year of Transitional Medicaid Assistance for people who leave welfare and go to work. Coverage for more than 12 months is optional. South Carolina currently provides 24 months of Transitional Assistance which is the highest number of months among Southeastern states.
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	4,000,000	9,140,604	0	0	0	\$ 13,140,604
Other Operating Expenses	0	0	0	0	0	\$ 0
<b>Total</b>	\$ 4,000,000	\$ 9,140,604	\$ 0	\$ 0	\$ 0	\$ 13,140,604



- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
This change will impact mainly adult Medicaid clients. Children could move to Partner's for Healthy Children if family income is below 150% of the Federal Poverty Level.

## II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 1583 – Regenesis
- C. Explanation of Lowest Priority Status: This pass through project is not specifically related to Medicaid and is not critical to the agency's core mission.
- D. Estimate of Savings:

<b>Estimate of Savings:</b>	<b>General</b>	<b>Federal</b>	<b>Supplemental</b>	<b>Capital Reserve</b>	<b>Other</b>	<b>Total</b>
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	100,000	0	0	0	0	\$ 100,000
Other Operating Expenses	0	0	0	0	0	\$ 0
<b>Total</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 100,000</b>

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
No impact on the Medicaid program.

## II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 945 – Palmetto Health Access
- C. Explanation of Lowest Priority Status: This pass through project is not specifically related to Medicaid and is not critical to the agency's core mission.
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	75,000	75,000	0	0	0	\$ 150,000
Other Operating Expenses	0	0	0	0	0	\$ 0
<b>Total</b>	\$ 75,000	\$ 75,000	\$ 0	\$ 0	\$ 0	\$ 150,000

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
No impact on the Medicaid program.

## II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. **Agency Section/Code/Name:** Section 8 / J02 / Department of Health and Human Services
- B. Agency Activity Number and Name: 945 – Healthcare Information Referral Network
- C. Explanation of Lowest Priority Status: This pass through project is not specifically related to Medicaid and is not critical to the agency's core mission.
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
<b>Personnel:</b>						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	336,000	0	0	\$ 336,000
Other Operating Expenses	0	0	0	0	0	\$ 0
<b>Total</b>	\$ 0	\$ 0	\$ 336,000	\$ 0	\$ 0	\$ 336,000

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):  
No impact on the Medicaid program.

## II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

F.

<b>Summary of Priority Assessment of Activities</b>	<b>General</b>	<b>Federal</b>	<b>Supplemental</b>	<b>Capital Reserve</b>	<b>Other</b>	<b>Total</b>	<b>FTEs</b>
Activity Number & Name: All Medical Assistance – Transitional Medicaid	4,000,000	9,140,604	0	0	0	\$ 13,140,604	0
Activity Number & Name: 1583 – Regeneration	100,000	0	0	0	0	\$ 100,000	0
Activity Number & Name: 945 – Palmetto Health Access	75,000	75,000	0	0	0	\$ 150,000	0
Activity Number & Name: 945 – Healthcare Information Referral Network	0	0	336,000	0	0	\$ 336,000	0
<b>TOTAL OF LOWEST PRIORITIES</b>	<b>\$ 4,175,000</b>	<b>\$ 9,215,604</b>	<b>\$ 336,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,726,604</b>	<b>0.00</b>